



NEWS FROM
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New KAPT Board Emphasizes Commitment to KAPT Enrollees
Resolution passed affirming support of KAPT contracts.

FRANKFORT, Ky. (August 25, 2005)—In its first meeting today as the new Kentucky's Affordable Prepaid Tuition (KAPT) Board of Directors, the board affirmed its support of KAPT contract holders and their college savings.

House Bill 184, passed by the 2005 General Assembly, transferred governance of KAPT from the previous KAPT Board of Directors to the membership of the Kentucky Higher Education Assistance Authority (KHEAA) Board of Directors on July 1, 2005. KHEAA had administered KAPT since July 2003.

The new KAPT Board passed a resolution avowing its commitment to current KAPT contract holders and pledging to work with the legislature to ensure that all KAPT contracts are honored.

The resolution passed today reads as follows:

This is a Resolution to emphasize the KAPT board's commitment to the KAPT contracts held by the citizens of the Commonwealth.

WHEREAS, House Bill 184 passed the 2005 General Assembly as 2005 Ky. Acts 162 that transferred the governance of KAPT to a new board composed of the members of the Board of Directors of the Kentucky Higher Education Assistance Authority, "KHEAA"; and

WHEREAS, KAPT and KHEAA share the common purpose and mission to promote higher educational opportunities for the citizens of the Commonwealth of Kentucky; and

WHEREAS, current KAPT enrollees have expressed concern over the financial outlook of the program; and

WHEREAS, all members of the KAPT board reaffirm their commitment to contracts currently held by enrollees;

NOW, THEREFORE, BE IT RESOLVED by the KAPT board:

The KAPT board will work vigorously with the 2006 General Assembly to pass legislation that will ensure that all currently held KAPT contracts will be honored if an unfunded liability arises at the time benefits would be paid on behalf of the contract holders.

“The resolution was passed to address concerns expressed by some KAPT purchasers about the status of their contracts and the transition to a new Board of Directors,” said Dr. Joe L. McCormick, KHEAA Executive Director. “KAPT contracts holders can be assured this Board of Directors will act in their best interest to ensure their KAPT contracts are honored.”

For more information on KAPT, call toll-free (888) 919-KAPT or visit www.getKAPT.com.

KHEAA is the state agency that administers Kentucky Educational Excellence Scholarships (KEES), need-based grants, work-study, savings, and Federal Family Education Loans for higher education.